

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Date Received:

10/18/2012

PluggingBond SuretyID

20080034

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐3. Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION LLC4. COGCC Operator Number: 102615. Address: 730 17TH ST STE 610City: DENVER State: CO Zip: 802026. Contact Name: Julie L. Padilla Phone: (303)928-7128 Fax: (303)476-1645Email: jpadilla@petro-fs.com7. Well Name: Kaiser Well Number: 921-10

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7397

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 10 Twp: 6N Rng: 65W Meridian: 6Latitude: 40.502382 Longitude: -104.651353

Footage at Surface: 2239 feet FNL/FSL 2118 feet FEL/FWL
 FNL FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4773 13. County: WELD

14. GPS Data:

Date of Measurement: 07/31/2012 PDOP Reading: 1.6 Instrument Operator's Name: Brian Ritz15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1262 FNL 2571 FWL 1262 FNL 2571 FWL
 Bottom Hole: FNL/FSL 1262 FNL 2571 FWL
 Sec: 10 Twp: 6N Rng: 65W Sec: 10 Twp: 6N Rng: 65W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1489 ft18. Distance to nearest property line: 475 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1104 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Codell	CODL		160	GWA
Greenhorn	GRNHN		160	GWA
Niobrara	NBRR		160	GWA
Parkman	PRKM		160	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☒ Yes ☐ No

23b. If 23 is No: ☐ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
T6N-R65W, Sec. 10: E/2NW/4, NE/4

25. Distance to Nearest Mineral Lease Line: 1262 ft 26. Total Acres in Lease: 240

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	650	455	650	0
1ST	7+7/8	4+1/2	11.6	0	7,397	256	7,397	3,400

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☒ Rotating Head ☐ None

33. Comments No Conductor casing will be set. The unit configuration consists of: Sec 10, SENW/4, NENW/4, NWNW/4, SWNE/4

34. Location ID: 419171

35. Is this application in a Comprehensive Drilling Plan? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Julie L. Padilla

Title: Regulatory Manager Date: 10/18/2012 Email: jpadilla@petro-fs.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Matthew Lee Director of COGCC Date: 11/30/2012

API NUMBER

05 123 36335 00

Permit Number: _____ Expiration Date: 11/29/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

1)Provide notice of MIRU via an electronic Form 42.

2)Comply with Rule 317.i and provide cement coverage from the 4.5" casing TD to a minimum of 200' above the Niobrara and from 200' below Parkman to 200' above Parkman. Verify coverage with a cement bond log.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1699163	PROPOSED SPACING UNIT
1699172	PROPOSED SPACING UNIT
400333452	FORM 2 SUBMITTED
400336951	30 DAY NOTICE LETTER
400336952	EXCEPTION LOC REQUEST
400336953	DEVIATED DRILLING PLAN
400336987	DIRECTIONAL DATA
400337411	WELL LOCATION PLAT
400337426	EXCEPTION LOC REQUEST
400337462	LEGAL/LEASE DESCRIPTION

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected Lease Description, and acres in lease as per opr. Added comments describing unit configuration as per opr. Final Review Completed. No LGD or public comment received.	11/28/2012 11:09:35 AM
Permit	Attached proposed spacing unit letter to director. Form 2A submitted. Ready to pass pending public comment of 2A on 11/27/12.	11/6/2012 11:29:14 AM
Permit	Attached revised proposed spacing map. Waiting on 30 day cert letter and 2A	10/31/2012 11:42:42 AM
Permit	REMOVED SPACING ORDER 407-87, due to GWA wellbore spacing unit. Operator requests approval of a Rule 318Aa and Rule 318Ae exception location: Wellhead is to be located outside of a GWA drilling window and the well will be drilled to a 318Ae infill location from outside of a GWA drilling window. Request and waivers attached. Need an amended 2A for this location Need 30 Day Cert letter.	10/24/2012 2:23:01 PM
Permit	Operator removed unnecessary attachments. This form passed completeness.	10/23/2012 2:29:52 PM
Permit	Return to draft: 1. one of the 30 day notice attachments contains superfluous well information (28-10 & 25-10 wells); 2. another of the 30 day notice attachments also includes superfluous well information (28-10 & 25-10 wells).	10/21/2012 1:43:45 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.

Total: 7 comment(s)